

Part 7 Loan Application Completeness Review (7 CFR 762.110)**95 Initial Review**

A**Adding
Applications to
GLS**

New applications will be entered into GLS as they are received.

B**Application
Completeness
Review**

Each application shall be reviewed within 5 calendar days of receipt to determine whether the application is complete. Use Part 5 or FSA-1980-01 to determine whether an application is complete.

Use the following letter to notify the lender when an application is complete.

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Date: _____
<p>Dear _____:</p> <p>This letter is to certify that your application on behalf of <i>(insert name of borrower/applicant)</i> for Farm Service Agency loan guarantee assistance was received complete on <i>(insert date all information necessary to complete application was received)</i>. Your request will be processed as quickly as possible.</p> <p>If changes occur in your applicant's operation or financial situation before final action is taken, or if we need clarification of items on the application, we may ask you to provide additional information.</p> <p>If you have any questions about the application, please contact this office.</p> <p style="text-align: right;">Sincerely,</p> <p style="text-align: right;">_____ (Title)</p>

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95 Initial Review (Continued)

C**Obvious
Eligibility Issues**

Each application shall be reviewed to determine whether there are any obvious reasons the loan cannot be guaranteed, such as an ineligible loan applicant or loan purpose. If it is clear that the loan cannot be guaranteed, the request should be rejected at that time.

D**Requesting
Environmental
Information From
Other
Organizations**

Some applications will require additional information from other USDA agencies or organizations to fulfill National Environmental Policy Act or other special law requirements. To determine whether information is required from other organizations or Federal or State agencies, the Authorized Agency Official should review applications for the type of loan, loan purposes, and the type of security.

Typically, loan applications that involve highly erodible land, wetlands, historical, or archaeological issues or major construction require information from other organizations. In these cases, the Authorized Agency Official must notify the lender regarding the additional information required and request the needed information from the organization or Agency. A copy of the request should be maintained in the loan file.

The need for this information will indicate an incomplete application and will stop the loan processing timeframes, including PLP automatic approval.

96 Complete Application (7 CFR 762.130)

A**When Application
Is Complete**

For purposes of determining application processing timeframes, an application will not be considered complete until all information required to make an approval decision, including the information for an environmental review, is received by the Agency.

FSA can conduct its environmental review in most cases without additional information from the lender. However, occasionally additional information is needed, and until this information is received, the application is not complete, and the timeframes do not start. Situations needing additional information often involve wetland determinations, potential historical or archaeological sites, or construction of major confinement livestock facilities. The review is FSA's responsibility to conduct. However, the information to complete this review is part of a complete application.

B**Documenting
Completeness**

The date the application is complete:

- C will be documented on FSA-1980-25 or FSA-1980-28 and entered into FSA's electronic tracking system
 - C sets the start date for the 14- or 30-calendar-day period within which applications must be approved or rejected by FSA. The automatic approval for PLP applications is initiated 14 calendar days after an application is complete.
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C**Lender
Notification**

The Agency will confirm the date an application is received with a written notification to the lender.

The Authorized Agency Official should evaluate the complete application according to subparagraph D. If an approval or rejection decision cannot be made within 5 calendar days, the Authorized Agency Official must notify the lender in writing that the application is complete and the date on which that occurred. This requirement applies to all 3 types of lenders.

***--Note:** If a PLP lender is not notified in writing, upon receipt of the application, of any additional information needed, the 14-calendar-day timeframe for automatic approval will begin on the day the application is received.--*

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96 Complete Application (7 CFR 762.130) (Continued)

D**Application
Evaluation**

Complete applications should be evaluated according to Parts 8 and 9. These parts describe in detail the steps to take when evaluating an application. The loan evaluation process does not have to be completed sequentially.

For loan applicants that do not meet loan requirements, such as cash flow, the Authorized Agency Official should work with the lender and suggest ways to assist the loan applicant to become eligible. To ensure good service, the Authorized Agency Official shall make a good faith effort to discuss with the lender, in person or by telephone, the application's shortcomings and possible alternatives. These discussions will be documented in the application file.

The decision to accept or reject an application will be made when the application has been completely reviewed and all reasonable options for making the loan applicant eligible for a guaranteed loan have been considered.

97 Incomplete Application (7 CFR 762.110(e))

A**Initial
Notification of
Lender**

If the application is incomplete, the Authorized Agency Official must notify the lender in writing within 5 calendar days after receipt of the application. The letter (subparagraph B) must:

- C identify the additional information required from the lender
- C state that the application cannot be processed until the additional information is received
- C establish a deadline for the lender to submit the materials 20 calendar days from the date of the letter.

Additional information should not be requested if it is clear that the application will be rejected for obvious eligibility issues.

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97 Incomplete Application (7 CFR 762.110(e)) (Continued)

B**Example of First
Notification
Letter**

The following is an example of a first notification letter.

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<p style="text-align: right;">Date: _____</p> <p>Dear _____:</p> <p>Your application on behalf of <i>(insert name of borrower/applicant)</i> for Farm Service Agency loan guarantee assistance was received on <i>(insert date FSA-1980-25 was received)</i>. However, certain details are missing from the application. We must receive the following information before we can continue processing the request:</p> <p style="text-align: center;"><i>(Insert list of items necessary to complete application.)</i></p> <p>Please provide these items by <i>(insert date 20 calendar days after date of letter)</i>. If you have any questions about the application, please contact this office.</p> <p style="text-align: right;">Sincerely,</p> <p style="text-align: right;">_____ (Title)</p>
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97 Incomplete Application (7 CFR 762.110(e)) (Continued)

C**Second
Notification**

If the lender does not respond or does not supply all of the information requested within the 20-calendar-day period specified in the initial notification, the Authorized Agency Official shall immediately send another letter (subparagraph D). The second notification shall address the same items specified in the initial letter, except that the deadline for submitting additional information will be 10 calendar days from the date of the letter.

The second notification letter must also state that if the lender does not contact the Authorized Agency Official or submit the additional materials within the 10-calendar-day period, the application will be considered withdrawn. If necessary, the lender may receive an extension to submit the additional materials. If an extension is granted, a new deadline will be established and communicated to the lender in writing. The extension letter should restate that the application will be considered withdrawn if the lender does not contact the Authorized Agency Official or submit the additional materials by the extension deadline.

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The following is an example of a second notification letter.

Date:

Dear _____:

(Insert list of items necessary to complete application.)

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law is the Federal Trade Commission, Equal Credit Opportunity, Washington, D.C. 20580.

USDA regulations prohibit discrimination in USDA programs because of your race, color, religion, sex, age, national origin, marital status, familial status, sexual orientation, disability; or because all or part of your income is derived from any public assistance program; or because you have filed a program complaint, participated in any program complaint proceeding, or opposed a prohibited practice.

If you believe that you have been discriminated against for any of the reasons stated above, you may file a complaint with the Director, Office of Civil Rights, United States Department of Agriculture, Room 326-W, Whitten Building, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410.

Please contact us if you have any questions.

Sincerely,

(Title)

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97 Incomplete Application (7 CFR 762.110(e)) (Continued)

E**Automatic
Withdrawal of
Application****If the lender does not provide the information needed to complete its application by the deadline established in an Agency request for the information, the application will be considered withdrawn by the lender.**

98-107 (Reserved)